

Gov Pubs

CA2SAX  
:1934A26



SPEECH DELIVERED BY  
MR. GEORGE H. WILLIAMS, M.L.A.  
(WADENA)

LEADER OF THE OPPOSITION  
in the Debate on the

# Address in Reply to the Speech From the Throne

in the  
LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

---

Monday, November 19, 1934

---

*PRINTED BY ORDER OF THE LEGISLATURE*

---

REGINA:  
THOS. H. McCONICA, King's Printer  
1935







SPEECH DELIVERED BY  
MR. GEORGE H. WILLIAMS, M.L.A.  
(WADENA)

LEADER OF THE OPPOSITION  
in the Debate on the

# Address in Reply to the Speech From the Throne

in the  
LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

---

Monday, November 19, 1934

---

*PRINTED BY ORDER OF THE LEGISLATURE*

---

REGINA:  
THOS. H. McCONICA, King's Printer  
1935





SPEECH OF  
MR. GEORGE H. WILLIAMS, M.L.A.  
(WADENA)  
LEADER OF THE OPPOSITION  
in the Debate on the  
ADDRESS IN REPLY TO THE SPEECH FROM  
THE THRONE  
in the  
LEGISLATIVE ASSEMBLY OF SASKATCHEWAN  
Monday, November 19, 1934

---

MR. SPEAKER: Allow me, first of all, to congratulate you on the high position to which you have been elected, and allow me to assure you that you will receive the full support of the Opposition in maintaining dignity and orderliness in this Assembly and, may I say, without dignity and orderliness this House would fall into disrepute and become a byword in this province. If at any time we should err, Mr. Speaker, I trust you will place it to our lack of experience in this Chamber and deal with us leniently.

I wish at this time to congratulate the mover (*Mr. Gregory*) and the seconder (*Mr. Mang*) of the Address in Reply to the Speech from the Throne, upon the excellent presentation they have made of a very difficult case. May I say, in passing, that it is significant that, of the 49 members the Government possesses, two of the more radical ones have been selected to move and second the address. My Liberal friends across the way will insist that this signifies the inward radicalism of the Liberal party. For myself, I have my doubts. I rather suspect that it merely shows that the Liberals are still good politicians; and though I hope to be proved wrong in this respect, I fear that radicalism, so far as official Liberalism is concerned, is merely lip-service. However, time will tell; and I do wish at this time to extend my congratulations to the mover and seconder on the occasion of their "maiden" speeches in this House.

I was very much interested in some of the things said by the mover and seconder in their addresses. I was particularly interested in what the mover (*Mr. Gregory*) said when he referred to money as being merely a "token," and to all exchange as merely "barter." I will take occasion to remind the Government of this when I am replying to the particular clause in the Speech from the Throne to which this is apropos.

I notice also that the mover suggested that the Department of Natural Resources should be placed under a separate minister. This

would mean ten ministers, Mr. Speaker; and my memory flits back to the bitter criticism members opposite made of the late Government for having eight ministers, let alone ten!

The mover also suggested that the last election was a bitter struggle with the "salvaging of democracy" as the stake. I thought it was a struggle between fear and wisdom—and fear won. He also said that "Liberalism was an attitude of mind." I agree. It is an attitude of mind—which never reflects itself in action. He then went on to prove that very point. He said the Liberal party would thoroughly investigate crop insurance. Not do it, Mr. Speaker; merely investigate! Then he turned to state medicine. It would be carefully investigated, too. Then the seconder (*Mr. Mang*) told us of the Misner investigation of the dairy industry and advised us to read the report. Well, nothing has been done as a result of that investigation and report. Yes, Liberalism is an attitude of mind—never translated into action!

I also call to mind the matter of freight rates that impose so heavy a burden upon us. They were upon us, Mr. Speaker, when the federal Liberals were in power and, therefore, were a matter which the federal Liberal Government of the day did not cure.

I realize it takes a great deal of courage from the other side to speak in condemnation of the economic system as it exists today, and I want to congratulate the mover and seconder of the motion upon the courage they have shown. But—did I catch a threat to the Government in the words of the hon. member for Lunenburg when he was talking to or at the Government and rather intimating to them that, if some of the things he believes in were not done, something untoward would happen?

I trust that attitude will be maintained, because I hold that service of the people is far more important than service of any party or group; and if his party does not fulfil the pledges made to the people then any legislator is justified in taking any action he deems necessary in order to obtain the things he thinks necessary for the people.

I was interested, while preparing my address, to read over the addresses of persons who have preceded me in the position I now hold. Particularly was I interested in reading the speech of the present Premier (*Hon. Mr. Gardiner*) when he sat as Leader of the Opposition following the defeat of his Government in 1929. Running through that speech, I found it was mainly political criticism rather than a reasoned argument based on the economic needs of the day. I found page after page of it devoted to political charges and counter-charges with reference to highways. You will remember, Mr. Speaker, that, in that day, most of our highways were dirt roads; that was before the drought and depression came upon us. If it rained, the roads were muddy—perhaps that accounts for the tenor of the debate!

It is not my intention to harp back on the election campaign. The condition of this province is far too serious to warrant spending the

taxpayers' money on recriminations as to the methods used to win that election. I believe this is not the time to rehash the campaign. We fought a clean fight and, as far as possible, we intend to carry that cleanliness into this Legislature and bring dignity and despatch to its deliberations.

I would not be doing my duty, however, if, at this time, I did not call attention of this House to some of the pledges made by Liberals during the election campaign. In the issue of *The Saskatchewan Liberal* of June 7, 1934, I find this statement (I understand I am responsible for anything I may say or read, today; and it seems unfortunate for me to be responsible for anything appearing in *The Saskatchewan Liberal*):

"The Liberal party will not cut down relief quotas in Regina or anywhere else, but will see to it as the first duty of the Government that all people are properly cared for. The Liberal Government did it before and it will do it again."

Now, we find, Mr. Speaker, that delegations already have waited on the Government protesting relief cuts and (if possible worse than that) protesting the roundabout way in which these cuts are made effective. No doubt these promises had much to do with the support obtained by the Liberal party at the polls.

We, on this side of the House, recognize quite clearly that past relief schedules cannot be maintained under Capitalism. We realize that relief is a charge against the holdings of those who are fortunate enough not to be on relief as yet. We realize there is no solution under Capitalism. Our Liberal friends said there was—"Vote Liberal!"

I have before me two Liberal pamphlets—two of the many. One says:

"Vote Liberal and make a job!"

I wonder if they mean that; or did they mean:

"Vote Liberal and GET a job!"

and if so, how many? We cannot stretch the civil service indefinitely; and even if we could, it would take smoother tongues than even the Liberals possess to get the taxpayers to pay for it. Here is another one:

"No man has a right to millions while others starve!"

That from Liberals! Yet I see no reference to a capital levy or anything of that nature in the Speech from the Throne! Again—Liberalism is a condition of mind—almost an illusion of the mind, I might say. But let us read further:

"The Liberal party believes in equal rights to live, and equality of opportunity for every man. Cast in your lot with the Liberal party and demand a new deal. Vote Liberal and help to distribute the burden of debt equitably and fairly among those who should bear it. . . ."

But, why go on? These promises were made to win elections. They cannot be kept. It is impossible to retain Capitalism and, at the same time, keep the Liberal promises.

Mr. Speaker, the gentlemen on your right were elected to do those two contradictory things, while we, on your left, are here to insist that the Government keep their election promises—but not that they retain Capitalism.

We note that the Speech from the Throne contains a reference to a new Public Service Act. We wonder whether these amendments, or changes, will strengthen the Act or destroy it. There is, without the shadow of a doubt, a tremendous feeling of insecurity among the civil servants of this province. Rumors of dismissals fly around these buildings like grasshoppers in the dried-out areas. Fear and uncertainty are the daily portion of the civil servant. No one feels safe. No one can trust his fellow-worker for fear of being denounced as a supporter of any party other than the poor old Liberal party. The feeling in these buildings is akin to the feeling which existed in Paris during the "Reign of Terror." No man or woman feels safe from denunciation. All vie with each other in protesting their partisanship even while they abhor the whole business of patronage.

How different is this from the condition spoken of by Bourinot as being the happy situation in Canada, when he wrote:

"At last we see all the provinces politically united in a confederation, enjoying responsible government in the completest sense, and carrying out at the same time, as far as possible, those British constitutional principles which give the best guarantee for the liberties of a people. With a federal system which combines at once central strength and local freedom of action; with a permanent executive independent of popular caprice and passion; with a judiciary on whose integrity there is no blemish, and in whose learning there is every confidence; with a civil service resting on the firm basis of freedom from politics and security of tenure; with a people who respect the law and fully understand the workings of parliamentary institutions, the Dominion of Canada need not fear comparison with any other country in those things which make a community truly happy and prosperous."

Mr. Speaker: Can it be that, under a Liberal administration in this province, we are going to forfeit that freedom and security we sought so patiently to attain? If the changes in *The Public Service Act* are to mean this; if again they are to throw the civil service open to rampant political patronage, then I want to warn the Government that, in so doing, they will drive out of the Liberal party the best people that party contains. The justice-loving people will resent that kind of thing and such an action will but drive one more nail into the coffin of Liberalism.

On behalf of those fearful civil servants (in whose appointment our party had no hand), I am going to quote certain statements made by members of the Government when they sat in Opposition, in hopes that it may stem what appears to be a rising tide of hiring and firing. Those civil servants have done their best and are worthy of fair play.



The present Premier spoke in this Assembly in April, 1930, and is reported as follows, in the *Moose Jaw Times* of April 5:

"The Bill was one which had been heralded with much talk by the politicians of the Government side of the House. He remarked that Premier Anderson had not found it necessary to dismiss a single employee of the Department of Education, and expressed the opinion that the people of the province had reason to be proud of the entire civil service, both inside and outside staffs. It went without saying that out of a staff of 1,700 employees, there would be individuals who took a great interest in public affairs, and he hoped that under the new system they would not be debarred from taking that interest. He also desired to see that the House would make the Bill effective to the present members of the civil service from the moment it passed the House . . . ."

and further on in his address was this significant sentence:

". . . Full control should be given to the commission in respect to all dismissals and engagements."

I want you to note the significance of that last sentence. I shall repeat it:

"Full control should be given to the commission in respect to all dismissals and engagements."

On a later date, the present Attorney General (*Hon. Mr. Davis*) stated—as reported in the *Moose Jaw Times* of April 30, 1930:

"He (Mr. Davis) was in accord with the principle of the Bill, and would reserve his remarks to the committee stage. He had no personal knowledge of the members of the new commission. Mrs. Reilly, he understood, was a superior woman. Mr. Ward was a loyal civil servant of years' standing; and Mr. Shelton was one whose appointment could be commended."

While the present Minister of Public Health (*Hon. Dr. Uhrich*) declared—as reported in the same issue of the *Moose Jaw Times*:

"He (Dr. Uhrich) was in favour of the principle of the Bill. He wanted fair treatment for all civil servants."

We hope these statements still reflect the sentiments of these members of the Government. We hope that what they preached in Opposition they will practise in power; and they might do well to heed the kindly warning of the gentleman who wrote an article entitled "The Spoils System", in a recent issue of the *Regina Leader-Post*. I propose to read that article in full:

"To the victors belong the spoils . . ."

"One of the 'victors,' a newly-elected M.L.A., was speaking to the writer of this article, and quoted this tag that has done duty—in my opinion, sad unfortunate duty—in so many Canadian political campaigns. For long it was taken for granted, and a certain type of politician never dreamed that it would be challenged. Evidently some of his kind are still abroad, but some of us feel that the time has come when this attitude of mind should be challenged, and sharply challenged. That is what I propose to do, if the Editor allows.

"To begin with, it should be said that the writer himself belongs to the present victorious party in the Saskatchewan provincial election. He is a life-long Liberal and suffered in various ways for his Liberalism in 1928-29, when the Saskatchewan tide was running against his point of view and a certain now-forgotten organization was abroad in the land

bedevilling political and religious life of the province. If I, who write, wanted to be vindictive and politically hidebound, I would rejoice to know that my victorious party was intending to exact the full fruits of the present overwhelming victory. But I do not wish to be vindictive. The victory should be enough for the keenest of us, politically speaking. Surely in the victory itself those of us who opposed the tide in 1928-29 are thoroughly vindicated. Now in the hour and incident of victory, we can richly afford to be magnanimous and my present plea is that those who represent us in the seats of power show the large-mindedness and restraint of men who aspire to be statesmen.

"It may be that there is no cause for disquiet and that our newly-elected Government has no intention of exploiting the spoils system in the way that some of the members of the new House evidently are contemplating. If so we shall rejoice that our protest in advance was not necessary and give the new Government credit for its practice of genuinely Liberal principles. But if, as the writer fears, there is some fire where there is so much smoke, then we desire to utter our protest.

"Every reasonable person knows that there must be some dislocation at the coming into power of a new government. There are posts in the public service where policy has to be implemented, where principles and action have to be interpreted to the public. Obviously, that cannot be done by one who is conscientiously opposed to a certain government and was used as a mouthpiece by a previous government with different ideas and principles. Where policy has to be interpreted, changes are inevitable and one would imagine that such persons would scarcely wait for a request to retire. Such posts are not many, and they may be left out of present consideration.

"What is under consideration in this article is whether, in this year of our Lord, 1934, it should be taken for granted that 'to the victors belong the spoils.' Whether, in short, the entrance on the scene of a new government, whatever its complexion may be, shall continue to be the signal for wholesale dismissal of public servants and the substitution of others who bear the party label. Is that unwholesome practice to continue forever? 'The other fellow did it and why should not we?' is asked, but surely to answer that plea is easy. Did we ever hear that two blacks made a white or two wrongs tended to create a right? We know we did not, and we know when we speak it that the truth is not in us. To dare to be the first to do a supremely right thing is better than to follow a bad practice and then excuse ourselves on the ground of precedent.

"The further plea is made that to fail to take full opportunity of the patronage system is to fail to reward men who labored for the party. Perhaps that is one of the best reasons why the time has come for the final quietus to be given to the spoils system. If men's regard and labor on behalf of a political party are influenced by the desire for a political job, then is their political allegiance not a real but a fictitious and selfish thing, of no service to the party, and certainly of no service to the state. A political chieftain who will dare to declare that those who work for his party must work for it because they believe in its principles and with no hope of ulterior reward, will begin a revolution in Canadian politics. I appeal to Mr. Gardiner to do a courageous and manly and, in the end, highly political thing, and to disappoint some of those who are looking for jobs and will dog his footsteps until they get them! When I appeal in that way, I know I am not speaking for myself but for many who are sick to death of this plagued thing, this spoils system that degrades our political life.

"The truth is—and every man who thinks and is not merely echoing the prejudices of the crowd, knows it—that the spoils system is bad right through, bad for the political parties, a thorough nuisance to every incoming Premier and his ministry, a most unsettling thing for the public service whose efficiency is a matter of public care and interest. It is maintained by unlovely qualities of mind, among which vindictiveness has a large part. It breeds sycophancy and servility. It encourages hypocrisy. It sours the spirits of men and women who live in fear and uncertainty, and are supposed to work zealously under such conditions. In short, it is a drug on the body politic.

"Is this thing, antiquated and bewhiskered and discredited, to be continued? Many of us will wait for the answer—and watch with diligence what happens."

No more thoughtful or wholesome contribution than that can be made. We have just one word to add: if this warning is not heeded it is going to be just too bad for the Liberal party at the next provincial election.

*(Government interruptions.)*

Mr. Speaker, we, on this side of the House, will endeavor at all times to show courtesy to hon. gentlemen opposite and submit that we are entitled to receive the same treatment from them.

I have in my hand a copy of the Speech from the Throne, and I want to call your attention to some of the contradictions, some of the anomalies, that speech contains.

In the fifth paragraph we find these words:

"My Government has already established a committee, headed by the Minister of Education . . ."

Some of us, on this side, are in doubt whether we have a Minister of Education, in view of the fact that the Statutes say that post was terminated on August 1, 1934.

"My Government has already established a committee, headed by the Minister of Education, which has collected valuable information regarding the financial position of the Province, municipalities, school districts, telephone companies, and agriculture . . ."

Not one word, Mr. Speaker, of the living conditions of the people of the province. Apparently, this committee only is interested in the financial conditions, not the living conditions. The paragraph continues:

" . . . and legislation will be presented which, it is believed, will assist in re-establishing the credit of all."

I saw the interim report of that committee as presented in the press, and that interim report gave a very rosy picture of the condition of Saskatchewan municipalities. It said that only a few municipalities were in a financial condition that could be called invidious, and that most of them were solvent.

I wonder how this committee arrived at this finding, Mr. Speaker! I wonder if they took back taxes at 100 cents on the dollar; if they took the assessed valuation of the land, not the actual value as it is today after years and years of drought. If that is the case, no one is fooled. The people are not fooled. All we will do will be to fool ourselves. I agree with the mover and seconder of the Address: it is time we got down to fundamentals, and got through with fooling ourselves.

Coming to the sixth paragraph in the Speech from the Throne, we find this:

"This legislation will affect debt adjustment between individuals, between individuals and corporations, between individuals and governing bodies, between governing bodies themselves and will acknowledge the view that the time for adjustment rather than postponement has arrived."

The time for adjustment? I wonder if, instead of that word "adjustment," we would not be better to use the word "liquidation"?

I have before me copies of two letters showing that what is taking place in this province, today, is not adjustment but liquidation. I shall not quote the first letter in full, only the part which is significant:

"A neighbour and myself applied for adjustment of debt under the 'Creditors' Arrangement Act' a little while ago, and the impression we were given by the commissioner was that 'We' (the commission) would make the creditors come to terms if they were not agreeable.

"Our meetings were held in Rockglen yesterday. The result was most disappointing in both cases. All the unsecured creditors were willing to take substantial reductions from 50 to 60 per cent. The dissenting creditors being, in each case, the loan company; in my case the machine company, on the strength of the lien against my drill, which is two-thirds paid for, the second mortgagee from whom I bought the farm and the most strange thing of all, if I am not very much mistaken, was the following—During the meeting Mr. Bartholomew of The Monarch Life Assurance, which company I am dealing with, asked the commissioner who the dissenting creditors were which included the Saskatchewan Relief Commission.

"In view of the fact that our Government promised the cancellation of relief in their campaign, here seems to be another instance of the duplicity of our opponents . . ."

HON. MR. DAVIS: I do not wish to interrupt my honourable friend: This particular party represents that the Relief Commission is a dissenting creditor. I doubt the truth of that statement. This is the first I have heard of such a thing. I can assure my honourable friend no such advice was sent out to anyone.

MR. WILLIAMS: I am quite prepared to accept the Attorney General's statement.

PREMIER GARDINER: Mr. Speaker, the writer's own statement shows he himself is in doubt.

MR. WILLIAMS: Yes, I agree.

HON. MR. UHRICH: Why read it to the House then?

MR. WILLIAMS: I assume full responsibility for what I read in this House. This letter states that the manager (I presume Mr. Bartholomew is the manager) of the Monarch Life asked the commissioner who the dissenting creditors were and in the answer, apparently, the Saskatchewan Relief Commission was included. Let me continue this letter, Mr. Speaker:

"To continue my story, it was the second mortgagee who applied for foreclosure against me with no move on the part of the loan company. At the meeting, Bartholomew dominated and the sum of his discourse was that considering the circumstances I was not worthy of consideration which was one of his expressions actually used. I am convinced that this stand was taken in view of the fact that the second mortgagee has 640 acres of land with up-to-date machinery and no incumbrance against any of it so that they actually more than triple the collateral security of their loan.

"After the meeting, Bartholomew, speaking like a dutch uncle to me, privately advised me to give to my oppressor a quit claim (if he would take it), for which he would act as mediator. Later he spoke to me and said that I could get a release in exchange for a quit claim. I, of course, refused.

"My conclusion is that the loan company is the sum total of the universe and no element of human justice is taken into their calculations and that I will not have much chance in combating these sharks when it comes before the board of review."

That is at Borderland in southern Saskatchewan. The letter is dated November 7, 1934.

We have another case, in Northern Saskatchewan this time—and this is with the approval of the Debt Adjustment Bureau. I have a letter from the Debt Adjustment Bureau to one, Ludwig Kohlruss, of Star City, dated November 10, 1934:

Dear Sir,— *re Campbell Agreement: S. 1½ 8-44-16-2d*

"We have to advise you that we have received an application from C. R. Woolard, solicitor for Mr. Campbell, for a permit to take action for cancellation of the agreement for sale under which you are purchasing the above property. We are given to understand that no cash was paid on this agreement and that no taxes or insurance has been paid and the only payment made on the agreement was a share of crop delivered this year. Apparently no share of the oats or barley was turned over out of this year's crop. We are further advised that in December of last year you undertook to execute a quit claim deed on the understanding that you would be allowed to lease the land for 1934. Apparently the necessary documents were never executed by yourself or Mrs. Kohlruss.

"We have received the report of our Inspector, Mr. Kyle, who states that you have no equity in this property and that permit for cancellation should be granted. In view of this information we will have no option but to issue a permit unless you can submit some very satisfactory reasons against the issue of same. We shall expect to hear from you within ten days' time stating your intentions in this connection."

That is from the Debt Adjustment Bureau. Here is a copy of the letter the gentleman sent to the board following receipt of their letter to him. This is dated November 16, 1934:

Dear Sirs:

"I have to hand your letter in reference to Campbell agreement and in reply wish to say that your agent at Tisdale together with Mr. Campbell's solicitor have not stated the true facts of the case. They have received their share of the crop which included oats, barley and bundles. Mr. Campbell has at all times refused to give me a receipt of any kind for the share of the crop which has been delivered to him. Mr. Campbell has also advised me that he was not in any hurry to receive his share of the oats and barley this year which share he will receive as always. The suggestion of quit claim deed was made to me by your agent, Mr. Kyle, and had I been able to locate another place,

I might have considered it. I wish to conclude by asking you to withhold any permit for cancellation as I have lived up to my share of the agreement hence why should I be put off the farm.

"Hoping this will be satisfactory and awaiting your reply . . ."

PREMIER GARDINER: When was that reply? The date.

MR. WILLIAMS: His reply to the Board? November 16. There is no reply to him from the Board.

PREMIER GARDINER: Then why bring it in? Perhaps no permit has been issued. Why bring it in?

MR. WILLIAMS: Because it illustrates the point of view of the Debt Adjustment Board in respect to a person in unfortunate circumstances; and the question is whether this condition of mind will continue and whether, in reality, there is "adjustment" or only "liquidation."

We note this debt adjustment legislation to which the Speech from the Throne refers:

"... will be drafted having regard for the fact that federal legislation has been passed dealing with this matter since we last met."

Those conversant with the federal legislation will realize that the farmer must assign his property to the board to which he makes application; and, if a compromise cannot be agreed upon by creditor and debtor, then the case goes to the board of revision and any compromise the board of revision sees fit to make should be binding on creditor and debtor alike. It is significant that, of all the cases given publicity to date (if there is one exception I do not know of it) the preferred creditor has refused to accept the adjustment and will go before the board of revision; and it rests with the board to say whether there will be adjustment (as you and I know adjustment, Mr. Speaker) or whether it will be liquidation.

In paragraph seven of the Speech from the Throne we find this:

"This legislation may also affect the incidence of taxation."

It is currently recorded that this means the income tax will be done away with and a tax levied on luxuries put in its place. No one knows what the term "luxuries" tends to cover. As a matter of fact I cannot say definitely, reading the Speech from the Throne, whether this is the intention or not. I only know this is currently reported. I only wish to say, if the report is correct, a change of this kind is an economic fallacy. If you place a tax on goods sold to the consumer, the purchasing power of the people, being constant, is not capable of being stretched and can only buy a certain amount of goods at a certain price. If you increase the price to the consumer by levying a tax, you reduce the turnover; and if you reduce the turnover fewer goods will be required and fewer men will be employed in the manufacture

of goods and the purchasing power of the people is thereby decreased. On the other hand, the income tax is an equitable tax, particularly if the levy is placed high enough, for then it is money which otherwise would be placed in reserve for investment credit and, therefore, it is not a tax on the purchasing power of the people. Any change of this kind I say, is an economic fallacy and should not be countenanced by this Legislature.

I note this further:

"It is thought by my Government that the ability of people to pay taxes should be given greater prominence in any system maintained."

"Ability of the people to pay"? Does the Government rather mean "the ability of the Government to collect"?

It is currently reported that the Government is having great difficulty in collecting some of these income taxes and, therefore, it might easily follow that a sales tax, being easy of collection, would give the Government greater "ability to collect." If it is a question of ability to pay, however, I would say continue the income tax to fall chiefly on the higher incomes, for those with greater incomes have greater ability to pay, not the man with small wages, who would be hardest hit by a sales tax or a luxury tax. I would call the attention of this Assembly to the fact that sugar, in times past, was considered a luxury, whereas, today, it is a necessity. This Legislature would be well advised not to change their policy.

In paragraph eight of the Speech, we read:

"The agricultural industry of this province must be re-established upon the experiences of the first generation in their attempt to build permanent homes."

The word "attempt" is well chosen. It marks a precision that does not often occur in cases of this kind. The first generation tried to build permanent homes and has not succeeded. The experiences they have had in their attempts to build permanent homes remind me of the mouse that fell into a bowl of cream. It made many attempts to get out, crawled up the sides of the bowl nearly to the rim, but always slipped back again. It tried and tried and its struggles gradually became weaker and weaker and it appeared that the time for "adjustment" seemed to have arrived, "postponement" was no longer possible (to use the words of the text). Just about this time the family cat came around, reached in its paw and—the mouse was "liquidated." Mr. Speaker. May it not be that, in this case, the mortgage companies will be the cat?

I find, in paragraph nine, of the Speech from the Throne:

"This experience has shown that, because of changing climatic conditions, sections of our population are without seed and other necessities sufficient for re-seeding. It is the opinion of my Government that a permanent plan should be established whereby seed may be provided and sown each year without becoming such a charge upon the province as to make the ordinary financing of government impossible."

What is the suggestion? Reading the text, it would seem to be this: that the person in the south with a small crop is to be told, "You must retain so much as seed, and you must not use it to live on." It must be remembered that, under the present relief schedule, if a man has a crop and retains any for his own use, the amount of his relief is cut down.

HON. MR. PATTERSON: With regard to the statement, Mr. Speaker, that if a man has wheat his relief is cut, I would inform the honourable gentleman that only happens if a man has a certain quantity.

MR. WILLIAMS: You mean if he has over and above a small quantity he does not get relief?

HON. MR. PATTERSON: No. If he has sufficient to keep him he does not get relief.

MR. WILLIAMS: If he has sufficient to live on? Then is it the intention of the Government, having decided how much wheat is necessary to keep the man, in setting the relief schedule, to require him to set aside so much for seed?

HON. MR. PATTERSON: No. The seed is over and above that.

MR. WILLIAMS: Will you give assurance to the people that, in setting the relief schedule and in regard to seed, the amount held for seeding will not be deducted from the man's relief?

HON. MR. PATTERSON: It would be very foolish to say anything else. If he uses it to live on we will have to supply him with seed the next spring.

HON. MR. DUNN: That's your policy you are talking about.

MR. WILLIAMS: Our policy is this: we will do justice to the people and not give the entire consideration to the mortgage companies. However, we are not dealing with our program in the Speech from the Throne.

We find in paragraph 10 of the Speech, the following:

"As a result of information secured through the Soil Survey, my Government is laying plans for the re-establishment on better lands, preferably in the same section of the province, a limited number of farmers now on poorer lands."

Note that clause—"a limited number of farmers." What of the other chaps? Are we going to pick and choose who are going to be saved? Are we going to take care only of a limited number or of all those persons who are on poor land and should be moved if they are to have a chance? The Government will have an opportunity of telling us what it actually proposes to do in working out this program. It is not necessary to answer at this period.



The paragraph goes on:

"... and for the conservation of water for stock and small irrigation works at suitable places as soon as financial conditions permit."

I suppose this means that there will be a number of small dams "at suitable places." I am not opposed to small dams all over the province, but, in view of the fact that we have a Liberal Government in power, I wonder if one "big dam" would not be more appropriate!

We note from the Speech that this will only be done "as financial conditions permit." Those conditions depend on the drought situation, and thus whether or not we will be able to irrigate the lands depends on what happens in the future. If the drought continues, our difficulties will continue. Unless the seed is there, we cannot have the necessary financial conditions. If we do not have crops, we shall have financial difficulties—and round and round it goes.

Paragraph 12 of the Speech reads:

"My Government is seized of the absolute necessity for the re-establishment of our position outside the province."

And we read statements made in Eastern Canada suggesting that we should go back to a former method of financing relief in which the accounts of those who loan the money were guaranteed rather than this form of relief we are now engaged in.

PREMIER GARDINER: That has been corrected in the Press. Probably my honourable friend has not read the correction.

MR. WILLIAMS: If it has been corrected, I have not read it; but I am pleased to get the statement from the Premier that this is not correct.

The next paragraph reads:

"Our credit must be improved by keeping our undoubted, permanent, relative provincial financial strength to the front. It is the opinion of my Government that this can be done only by keeping our expenditures, provincial, municipal and individual, within our revenues; by maintaining our people in active productive employment; by sane legislation regarding contracts; and by meeting our just obligations."

You will note, Mr. Speaker, the paragraph refers to "sane legislation." By inference, it would suggest that past legislation has been insane.

HON. MR. PATTERSON: No. Only the C.C.F. platform.

MR. WILLIAMS: You have not had the opportunity yet of seeing the C.C.F. platform in operation. When you do, you will know what sane legislation is. Reference was made to the debt legislation of the past few years as being "postponement." I wonder if the term "sane legislation" is intended to foreshadow a reversal of that policy!

I want to call attention to this remarkable fact: in all this there is not one word of public ownership; not one word of control of currency or credit; not one word of the more radical things our friends the mover and seconder spoke of, or of the C.C.F. platform. When our radical friends were speaking, Mr. Speaker, I seemed to notice that the Government benches were not very well pleased.

PREMIER GARDINER: They were not radical enough to suit us.

MR. WILLIAMS: Not radical enough? I would repeat that radicalism, so far as the official Liberal party is concerned, is merely lip-service. However, time will tell—and we will give you the time.

In view of the fact I shall not be able to finish my address this evening, Mr. Speaker, I would move adjournment of the debate.

---

Resuming the debate on the Address in Reply to the Speech from the Throne, on Tuesday, November 20, 1934, Mr. Williams said:

MR. SPEAKER: Last evening, when the House adjourned, I was about to deal with that section of the Speech from the Throne, having to do with the Liberal program. The particular section to which I would refer deals with that hardy perennial known as "The Tariff"—the thing, that ancient and venerable "wolf," the Liberal party always talks so much of and has done so little about.

In order to support that argument, I wish to quote to my friends opposite an authority they will hardly challenge. I wish to read the words of a person who did yeoman service for the Liberal party during the last campaign. I refer to Mr. George F. Edwards.

Some years ago, Mr. Edwards was an official of the farmers' organization and, at that time, he went to Ottawa with a delegation to plead with the Liberal Government that they implement their own pledges with respect to this ancient and venerable thing, the tariff. I will quote what he wrote at the time:

"We ask that the practice of the Customs Department of placing a different value on the same goods, depending upon whether imported by jobbers, large or small dealers, departmental stores, or consumers (who get no discount from the price list) be discontinued, and that the value of goods for Customs purposes be the fair market value when sold for home consumption, by the manufacturers, in quantities taking the maximum discount.

"We are also printing the tariff plank of the Liberal platform in order to show how closely in line with the Liberal platform our requests are and also to show how little progress has been made in seven years toward carrying out the promises contained therein.

"Tariff plank of the Liberal platform adopted July, 1919:

"That the best interests of Canada demand that substantial reductions of the burdens of customs' taxation be made with a view to the accomplishing of two purposes of the highest importance: First,

diminishing the very high cost of living which presses so severely on the masses of the people; second, reducing the cost of the instruments of production in the industries based on the natural resources of the Dominion; the vigorous development of which is essential to the progress of our country.

"That to these ends, wheat, wheat flour, and all products of wheat, the principal articles of food, farm implements, and machinery and repair parts thereof; rough and dressed lumber, gasoline, illuminating, lubricating and fuel oils, etc, nets, net twines, and fishermen's equipments; cements and fertilizers, should be free from customs duties, as well as the raw material entering into the same.

"That a revision downwards of the tariff should be made whereby substantial reductions should be effected in the duties on wearing apparel and footwear and on other articles of general consumption (other than luxuries) . . ."

The good old word "luxuries" again, Mr. Speaker:

"... as well as on the raw material entering into the manufacture of the same.

"That the British preference be increased to 50 percent of the general tariff, and the Liberal party hereby pledges itself to implement by legislation the provision of this revision when returned to power."

And they were returned to power, Mr. Speaker, and the tariff did not go down, Mr. Speaker—and the words here do not go down either; note how carefully they follow the suggestion made at that time:

"It is the opinion of my Government that, if this is to be accomplished, all obstructions must be removed from trade in food products, in machinery, in clothing, in oil and other things necessary to the carrying on of our industry. . . ."

Mr. Speaker, after these many years one would think that possibly they had come to the conclusion that the time for this kind of thing—these promises, promises, promises and failure to keep them—is past. It is time to do things and talk about them afterwards; or if we talk about them first be sure we will be able to do them afterwards.

I come now to paragraph 16 in the Speech and find this:

"My Government is of the opinion that a closer relationship should be established between the fact that Saskatchewan is the source of the greatest export trade in cereal food products in Canada and the further fact that we desire commodities produced in Britain in exchange for such food products, to the end that we can secure directly at lower costs more funds from Great Britain, the cheapest money market in the world, with which to re-establish our industries and maintain our institutions. It is the intention of the Government to explore this field of external possibility."

Note the way the wording is arranged, Mr. Speaker. "We desire commodities produced in Britain in exchange for such food products." Why? So that, on this side, we can borrow money. Why? So that we can re-establish our industries. Why? So that we can borrow more money to re-establish industries to produce more manufactured goods—and then we will not need British goods!

I desire now to leave the direct current of criticism of the Liberal program and turn to the more serious problem of economics. In so

doing I wish to compliment the member for Lumsden (*Mr. Mang*) for directing attention to one phase of the Capitalist failure, and, lest there be any suspicion that there has been some collaboration in the preparation of our addresses, I hasten to assure the front benches opposite that no such collaboration took place. I propose to deal with the economic system, Mr. Speaker, so that you and members of this House will recognize that a change is needed to solve the difficulties now confronting us.

Mr. Speaker: For the first time in the history of this province, there is a fundamental dividing line between the Government, on the one hand, and the Opposition on the other. In the past, the difference has been merely one of administration, not of policy; for Government and Opposition formerly both were in agreement on policy and their only division was on the question as to how that policy should be administered. Now for the first time we have in this House an Opposition which disagrees with the Government on a fundamental question of economics.

The gentlemen to your right will hardly deny that they are supporters of an economic system known as Capitalism, and that they believe a solution to our economic ills can be found within the orbit of that system. We, on your left, hold that the solution to our difficulties can be found only by substituting for the present system a newer, broader, sounder economic system known as Socialism.

I am quite aware of the fact there are, on the Government side of the House, forward-looking men whose allegiance to Capitalism is very much tempered with doubt, and who are supporting Capitalism in just about the same way many people voted Liberal at the last election—"to give it one more chance." To these men I would say: be honest with yourselves; stay where you are so long as you are sure Capitalism can offer a solution; but when you reach the time when you are convinced no possible solution can come from that system, then be courageous enough to cross the floor and join the ranks of the Socialists here in the Opposition. There is plenty of room for you over here.

*(Government laughter and interruptions.)*

I might remind my hilarious friends that, at the start, there were only twelve followers of Christianity. I would remind them of that.

HON. MR. DAVIS: Do you put yourself in their class?

MR. WILLIAMS: The reformer was always scoffed at; the scoffer was never the reformer.

To these radically-minded Liberals I wish to say this: I appreciate your lot. You have a hard row to hoe. Nothing but futility and disillusionment faces you; and if, at times, some of the things we say of economic Liberalism cut deep, please do not take it as a personal attack.

We want you to understand Socialism not as the intolerant fanatic would have you understand it, but as the reasoning, careful student of economics understands it. We would welcome the opportunity to reason, both inside and outside the House, with radical members of the Government side on the economic questions of the day.

We realize that, while the gentlemen opposite disagree with our economic beliefs, nevertheless, if the press and campaign speeches are to be credited, the amount of disagreement varies. Some of them almost professed us to be devils—even my humble self—while others almost embraced us and seemed, in the language of the Scriptures, to be “almost persuaded.” Be that as it may, it is our intention to lay before the House our views, our hopes and our beliefs, and then this House will do as it wills with respect thereto.

I hope those who sit on the other side of the House for the moment do not take unto themselves credit for all wisdom; nor do I wish them to feel that we, on this side, are taking to ourselves credit for all wisdom; but I do wish to point out that questions of economics have rarely been discussed on the hustings. When economic problems have been discussed, the spirit of the Roman arena has prevailed, and calm reasonableness has not been the order of the day. We wish at this, the opening of a new Legislative Assembly, in presenting the viewpoint of a new group, to do it in a new way. I wish, calmly and carefully, to outline our position and our views, and perhaps it will not be too much to hope that some members opposite may finally and fully be persuaded to join our ranks by profession of faith.

It is our belief that a change in our economic system is long past due, and that this Legislature should be constituted a body to plan in understanding and tolerance for the common good, rather than remain a political battleground.

The corner-stone of our economic belief, and the point at which we find ourselves diametrically opposed to members opposite, is that we believe the so-called depression is the direct outcome of the economic system known as “Capitalism,” and can never be permanently rectified until the system is changed and another substituted for it known as “Socialism.”

Throughout the election campaign, I noticed a tendency to define certain economic terms in a manner far from factual. I have noticed in the press, from time to time, utterances by people from whom I expected greater economic knowledge, to the effect that “capital” and “Capitalism” are synonymous terms and that as we would always need capital, Capitalism would always be with us. To those who believe that, I would urge they make a study of economic systems. If they do, they will find that capital is common to both Capitalism and Socialism, but that the manner in which capital is controlled and the resultant condition brought about by the employment of capital are quite different in the two economic systems.

It is well to remember that the science of economics is, after all, an attempt on the part of humanity to produce the maximum amount of goods and services with the least expenditure of human energy. This is what humanity has tried to do since the dawn of time. We have always tried to produce more and more goods, more and more services; more trained doctors, teachers, nurses and, strange as it may seem, even more lawyers—so trained as to perform the greatest amount of services with the least amount of fuss and bother; and to produce the maximum amount of goods—tables, chairs, automobiles and even silk hats—with as little work as possible in order to have more and more leisure in which to enjoy them. This is the science of economics. It is not a science that needed to be created. It is a basic science, and its development has marked the development of the human race.

As the human race has developed, age after age, generation after generation, we have found some predominant factor in human history which has more or less determined the manner in which our economic necessities would be obtained or created. Most of our records date from about the time we began to till the soil. Obviously, in the pre-industrial period, the ownership of the land with its great productive capacity was the dominant feature of the day; and we find that period of economic history called "Feudalism," because it revolved around the feudal holding of land; and we find that, in that day, the laws were laws to protect the interest of the feudal kings and barons.

With the advent of the sailing ship and with the greater impetus of the steamboat, trade began to develop and industrial goods began to be exchanged. In their raw state, of course, these goods came from the holdings of the feudal lords; but, as time went on, the processing and exchange of goods became more and more important and, to facilitate the exchange, tokens, representing goods, became recognized as a medium of exchange. Sometimes the basis of the medium was bone or wampum, then silver, then, for a time almost universally, gold, and now it is largely paper with a rapidly vanishing gold backing. But in all cases the real value of the token lay in its power to purchase goods, not in its own intrinsic value. Possession of these tokens gave the owner power to command the delivery, present or future, of goods and services, and became known as "capital."

Gradually the possession of capital became more and more important because it represented the potential ownership of the natural resources as well as of goods and services; and, therefore, the laws, the State, began to revolve around capital rather than around feudal kings and barons, and we began to evolve laws to protect the ownership of capital, to protect invested capital, to guarantee earnings to capital. As capital rather than land became the most potent factor in the economic system, and as land could now be acquired by the ownership of capital instead of by feudal succession alone, our economic system began to be known as "Capitalism" rather than "Feudalism," because, as I have said, capital had become more powerful than ownership of land.

Thus we find that one economic system passed on and out, and another took its place. Feudalism was unable to take care of the growing needs of society and was superseded by Capitalism, quite naturally, because Capitalism gave greater service to humanity than Feudalism.

We find now that Capitalism, in its turn, fails to meet the needs of modern society, and is about to be superseded by Socialism—not without a struggle, of course. Not easily did the feudal barons yield place to the growing strength of Capitalism; so also do the barons of capital struggle to maintain their hold over society. Nevertheless, civilization must be served and change sweeps relentlessly on.

One thing common to both these economic systems is that both are competitive. In both, the individual competes with his fellow man to get the better of the deal; each strives to make profit; each seeks to avoid a loss. It may easily come about that future historians may refer to both Feudalism and Capitalism as the “Age of Competition,” and to what we now call Socialism as the “Age of Co-operation”: for it is a truism to say that true co-operation and Socialism are synonymous terms. On the front page of *The Canadian Co-operator* you will find these words: “All for each and each for all.” That is true Socialism and true co-operation.

Every economist will tell you that when an economic system, whether it be Feudalism, Capitalism or Socialism, is producing the maximum amount of goods and services that its machinery of production is capable of, is at the same time distributing those goods and services to the people so that they become the personal property of the people, and giving the people enough leisure to use and enjoy them, that economic system is a success.

The twin theories of Capitalism have always been that the best possible way to produce the maximum amount of goods and services was to give the individual the right to make a profit and the amount of that profit was to be limited only by free and unrestricted competition; and with respect to distributing the goods, that there would be enough capital paid out to the people in the form of wages during the process of production to enable the goods to be purchased by the people. In practice, however, these fine theories have not worked out that way at all. We all know that so far as distribution is concerned the system has broken down and we find that our failure to distribute the goods bears a direct ratio to the increasing volume of goods produced and the profit taken in the course of production.

When a Socialist advocates that these goods now produced be produced for use rather than for profit, there are those who either do not understand what a profit in reality is, or, if they do understand, seek to confuse. We often hear it said, “No one will work without a profit” and then we hear this assertion paraphrased as, “No one will work without wages”; and the impression is given that wages and profit are

the same thing. They are not. Profit is the difference between the cost of the thing we have to sell and its selling price, and part of that cost is wages; therefore, wages and profit cannot be the same thing.

Of course, if you sell for less than cost of production, you have no profit, in which case you suffer a loss; and if you continue to suffer losses you eventually go bankrupt and are forced to become a recipient of relief. So we all strive to keep our costs down and our selling price up, to obtain that elusive thing called "profit," around which Capitalism revolves; and to keep down costs we curtail wages, which is purchasing power, and so make it more and more impossible to distribute the goods we produce.

It is well to remember that the four main items that constitute the cost of any article are: (1) Cost of raw product; (2) cost of equipment; (3) cost of finance, and (4) cost of wages.

It will be noted that only by two of the costs do we put money in circulation to buy the goods produced, namely, by (1) and (4)—by what is paid out for purchase of raw product and what is paid out in wages. Truly it can be argued that money used to buy equipment does indirectly go into circulation to buy goods produced by that equipment, but it must be remembered this equipment soon pays for itself and we find that, from that time on, though we have already used up the capital put into circulation by paying for the equipment, nevertheless the equipment goes on producing more and more goods to be sold at relatively the same selling price. Thus the gap between purchasing power and the amount of goods produced remains unbridged.

This is even more the case with the finance cost, because the percentage of cost represented by interest charges is not reflected in purchasing power as this money does not go into circulation to buy goods, except by a loan, which necessitates further interest charges and, therefore, further costs. It is true that a small portion of it does find its way into circulation in the form of wages paid by financial houses to their employees, but the great bulk of it goes into reserves and investment credits and is never reflected in purchasing power.

It might be argued that investment credits supply purchasing power because they are used to provide equipment for new enterprises; but it should be remembered that, as investment credits, they are part of the second cycle of production and this capital already has been reflected as a cost in the selling price of one lot of goods as finance costs, and are again reflected in a second set of costs as equipment costs, before it becomes effective as purchasing power. And again the gap remains unbridged; two lots of costs and only one of purchasing power units, as my friend from Lumsden said.

It will be seen that, if all the money extracted in the form of interest charges were turned back immediately into circulation in the form of investment credits, the gap between purchasing power and



selling price of goods would still remain unbridged. This would be bad enough, but, to make matters worse, we find that, as profits become more and more elusive because of dwindling purchasing power, larger and larger sums of capital are diverted into reserves and become stagnant because of the increasing spread between purchasing power and selling price.

Summing up these facts it will be noted that, even if goods were sold at the cost of production, there would still be insufficient money in circulation as purchasing power, because part of the so-called cost is, in reality, a profit on equipment and a profit paid to someone on invested capital. To aggravate the situation still further, the selling price must be greater than the cost or there is no profit, and if there is no profit the business goes bankrupt. Thus we find that the selling price of goods is greater than the amount of money released into circulation to buy the same goods, and so the gap between the purchasing power and selling price becomes wider and wider.

Theory after theory has been advanced as to how we could overcome our difficulties and cause Capitalism to distribute the goods it produces. These schemes range all the way from such arrant nonsense as suggesting we should go back to the pick and shovel rather than use modern machinery, to attempts to curtail profits by a process of profit-sharing. To date, each attempt has proved a dismal failure.

For a time it was argued that this disparity between purchasing power (that is, wages paid) and the selling price of goods could be overcome by what is sometimes called the turnover speed of money, the theory being that one dollar released into circulation purchased many dollars worth of goods before it became frozen by becoming a financial reserve or an investment credit. In actual practice, however, this fine theory did not work out as expected. It was found that, of a dollar paid, say for a pair of shoes, only a small portion was paid out to the shoe clerk in the form of wages, only a small portion went to the farmer for the leather, and the great bulk of it rapidly found its way into financial reserves and investment credits or huge production plants. It was found that, with modern mass production, concentration of large sums of capital was inevitable and small enterprises rapidly disappeared. Gentlemen, you cannot turn back the hands of the clock; the days of *laissez-faire* are over. With the concentration of capital, the small enterprises rapidly disappeared and trade between small traders and individuals became an insignificant thing in the volume of goods produced.

Inflations were tried; inflations of different types. It was found that, if it was a consumptive loan either directly to individuals or by instalment buying through a finance corporation, the selling price of the goods advanced to eat up the extra capital thus put into circulation, additional profits were taken and very little extra consumption of goods took place unless the inflation was made continuous as was the case during the war years: And then it was found that, when the inflation

eventually was halted by curtailing loans, the productive capacity remained constant, and all productive enterprises found themselves with large surpluses of goods on hand which they could not dispose of, because the people no longer had adequate purchasing power. Each enterprise finding sales dwindling began to curtail wages, and curtailed wages meant less purchasing power in circulation and, therefore, more stagnation and more general bankruptcy.

This condition might possibly be cured by another war. Another war might, quite easily, bring another period of inflation and temporary prosperity; but, Sir, as a returned soldier, I maintain that the cost is too great. It is to be remembered that, after the war ended, we would find the productive machine keyed up to a tremendous tempo of production and a great volume of goods on hand. Then would come deflation with curtailment of purchasing power and again market gluts, closed factories, unemployment and poverty would be our lot. Added to this there would be the further taxation burden incident to the destruction caused by the war and the profit taken by war profiteers.

If the inflation took the form of production loans to build more factories, the situation was only aggravated, because while production increased, the increase of purchasing power did not keep pace with it; and the gap between wages paid and selling price grew wider as the volume of production grew greater.

I might go on and deal with each one of the cures Capitalism has tried, each one of which has proved a dismal failure. Indeed Capitalism appears to have tried every cure except the one that will work. One would naturally have supposed that, as soon as we began to produce more and more goods with less expenditure of energy because of better technique and modern machinery, we would have decided to distribute the work and leisure rather than have long working hours for some and protracted unemployment for others. One would naturally have expected that, as we produced more and more goods, we would have paid out more and more in the form of wages to make it possible to buy the goods produced. This would seem sensible; but this is one thing Capitalism did not try to do because to do so would be to increase the costs which, in turn, would do away with profits—and to do that would have been to produce Socialism, because we would then be producing goods for use and not for profit. It would not only have meant production for use, but the people, acting through the State, would have had control of currency and credit and would have used them for the distribution of goods to the masses rather than for profits to the few. Capitalism did not try that cure.

My friends opposite, who were elected to make Capitalism work and who must either do that or admit failure, may say, "We will curtail profits and thereby more nearly balance purchasing power with the selling price of the goods." To them I say: when you embark on that course and before you curtail profits, the Government will have to interfere in business—and I seem to hear one of my friends say: "The Government cannot do that!" They will find they will have to exercise control over industrial enterprises.

My friends will learn that it is an axiom of Capitalist economics that profit is the motive for which capital is invested by those who possess it and that, if they do away with profit, those who have capital will refuse to invest it. They will learn that private owners of capital will absolutely refuse to lend or invest it unless they are guaranteed against loss and assured of profit. For instance, I would remind honourable members of the \$60,000,000 bank loan guaranteed to the banks by the Federal Government on behalf of the Canadian Pacific Railway; and I would call in witness also the guarantee given by the Provincial Government to the banks for money loaned to municipalities for relief purposes.

It is significant that liquid capital, now the property of private investors, is being invested largely in government bonds instead of in private enterprise. The reason is obvious: it is felt there is less danger of loss and greater assurance of profit—and here we might pause to reflect that we recently had to sell Saskatchewan bonds at 85.19 percent and pay four percent interest plus commission even though all the taxpaying powers of the people of Saskatchewan stand behind these bonds, in addition to the 49 legislators who believe in Capitalism.

If the Government keeps the promise (implied in their election pledges) of curtailing profits, they will find that they will have to curtail those profits to the vanishing point and then they will find those who have capital will refuse to invest it and, therefore, they will have to take over control of capital. They will find capital cannot be invested without danger of loss let alone lack of profit, unless competition is curbed. They will find that uncurbed competition with the tremendous production of which modern machinery is capable, will glut and ruin any market: then comes disastrous price-cutting combined with destructive wage cuts, dwindling purchasing power, unemployment and distress bringing about a general breakdown such as is likely to occur in the Estevan coal fields. My friends will find they must have State Planning. They will find the State will have to control currency and credit; the State will have to control wage scales; the State will have to set the hours of labour. In short, they will find they will have to have Socialism.

MR. DAVIS: That is not Socialism!

MR. WILLIAMS: There are none so blind as those who will not see!

MR. DAVIS: What kind of Socialism is that?

MR. WILLIAMS: I do not have to answer those questions; but that is the form of Socialism the C.C.F. preaches.

To continue, Mr. Speaker: These gentlemen will find that once they set their feet upon the path of reform they will have to go on up the path of Socialism or they will fail and forfeit the confidence of the

people. They will find that, if they are to succeed, they will have to march on into a new era of legislation where capital is no longer the dominant feature, but where we will rather build our laws around the needs of society—and we will call it “Socialism.” In that day, it will be found that each man is indeed his brother’s keeper and that truly no man liveth to himself alone.

While it may be argued that we have not the power in this Legislature to embark upon a complete social economy, it is nevertheless true that there are many things we can do for our people that are within the powers of the Legislature. Having accepted the principle that a change in the economic system is necessary, it would be within the powers of the Legislature to set up a Provincial Planning Board which will advise this Legislature as to what steps are, in its opinion, wise and prudent to take in the interests of our citizens in regulating business in this province. Having embarked upon a planned economy, we could use the powers we now have to give the people security of tenure in their homes and on their farms. Having decided to mobilize the wealth of this province both in regard to natural resources and productive capacity for the service of our citizens, we could provide socialized medical services, adequate educational facilities, materially reduce unemployment and raise the wage scales of our people.

I therefore would move, seconded by the honourable member for Cut Knife (*Mr. Macauley*), that the following be added to the Address:

“We respectfully submit to your Honour that, in the opinion of this Legislative Assembly, the Government should immediately inaugurate a planned economy for this province, to the end that we shall so mobilize our resources as to give security of tenure to our people in their homes and on their farms, provide them with specialized medical service, adequate educational facilities free from political interference, and safeguard their living standards by accepting Socialism as the basis of our economic activities, through which we will co-operate for the general good rather than continue to compete for profits.”

It is our intention, in order to support the argument contained in the amendment, to follow step by step some of the things that have taken place in this province in recent months, and particularly would I refer to the interference of the Government with education.

MR. SPEAKER: Are you speaking to the amendment?

MR. WILLIAMS: Yes.

I might point out, Mr. Speaker, our amendment states “Adequate educational facilities free from political interference”; and we might point out that what has taken place does not come under such a provision. In this connection, Mr. Speaker, while the amendment to Chapter 7, of the Revised Statutes of Saskatchewan, 1930, did not come into force until August 1, 1934, as was also the case with Chapter 36 of the 1934 Statutes, and while the Government might, therefore, acting through the Lieutenant Governor in Council, appoint a Minister of Education and be within their constitutional rights, nevertheless the question arises as to what has been the status of the member for Saskatoon City, Mr. Estey, since August 1, 1934.

MR. SPEAKER: The honourable gentleman is not permitted, under the rules of the House, to mention a member by name.

MR. WILLIAMS: There happen to be two members from Saskatoon.

HON. MR. URRICH: You should refer to him then as the "Minister of Education."

MR. WILLIAMS: But we are under the impression there is no such minister, the official position having disappeared.

I may say I have taken advice from legal gentlemen on this matter, and they are all of the opinion that the Government apparently have acted in an unconstitutional manner, although all did say that possibly there might be some loophole by which the Government could escape.

It is recognized he (*Mr. Estey*) is still a member of the Executive Council. There is no dispute there. It would appear, however, that he should not properly be designated as an officer, in that the office to which he was appointed when the Government took over, automatically disappeared on August 1, 1934. It would seem to follow, therefore, that any act performed by him as Minister of Education since August 1, 1934, would be unconstitutional. We would be pleased to learn how the Government found it possible to evade the law in this connection.

To say the least, the whole attitude of the Government towards this Act is ridiculous in the extreme. In fact, the apparent attitude of the Government towards all legislation, good or bad, appears to be this: "If we did not pass it—away with it!" We think that attitude is ridiculous. No matter what one's political faith may be, one cannot but be disappointed with the Government's failure to recognize good legislation no matter from what source it comes; and I may say that, in our opinion, *The Education Administration Act of 1934* had in it a very sound principle. It was a step in the right direction, because it did bring us one step nearer to the elimination of politics from educational affairs—and thus is one step nearer to the point we desire in our amendment: "Adequate educational facilities free from political interference."

Those who have made close study of educational matters are firmly of the conviction that those at the head of our educational institutions should not be shifted every time a government changes, and, I submit, it is not good usage and certainly not in the best interests of the province, if the whole Department of Education is subject to change every time the Government changes.

Before taking my seat, I wish to warn the Government it is not the intention of our group to allow this debate to drag on week after week. We came here to do business and to see that the Liberals do

business. We are not interested in saving the Conservatives, nor are we interested in hearing them criticized. We are interested in the affairs of this province and of this country. We are interested in the sensible consideration of the problems we find facing us today, and in dealing with those problems with promptness and efficiency.

Mr. Speaker, we await the business of this House.



University of Saskatchewan Libraries  
CA2SAX 34A26 gpstk  
Saskatchewan. Legis/Address in reply to  
  
+01000876824